

IN THE
INDIANA TAX COURT

NO.49T10-9309-TA-70

TOWN OF ST. JOHN. <i>et at.</i> ,)
)
Petitioners,)
)
v.)
)
DEPARTMENT OF LOCAL GOVERNMENT)
FINANCE as successor to the)
STATE BOARD OF TAX)
COMMISSIONERS,)
)
Respondents.)

MONTHLY REPORT 28

As successor to the State Board of Tax Commissioners, this is the twenty-eighth monthly report of the Department of Local Government Finance ("DLGF") under the Court's order dated May 31,2000,729 N.E.2d 242,247. The report explains the DLGF's activities during September 2002 to implement the Court's order. An outline of those activities is included as Exhibit A.

Lake County Reassessment

The Lake county reassessment is progressing. Cole Layer Trumble reports that substantial steps have been taken to recover from the delayed start date and to dovetail with the schedule projected in CLT's plan. In August, 17,134 residential parcels were

collected, compared to 9,794 for July. The new overall residential and agricultural data total is 45,781. During August, 1,139 commercial properties and 205 industrial properties were collected. Fieldwork is complete on neighborhood delineation. Office staff is transferring the information to plat maps and to individual parcels, which will be keyed into the computer system. Training has commenced for a data entry night shift. Land pricing and agricultural data collection is in process. Land pricing has been completed in Ross, Center, St. John, West Creek, Hanover, Winfield and North Townships.

County Surveys

The DLGF recently tabulated the results of a survey of county assessors conducted in August. The survey shows steady progress in most counties toward the completion of the reassessment. Several counties, however, have not been able to input data into computer assessment software because of issues in translating data from old systems to the new ones.

The survey results show that 68 counties have completed between 91 and 100 percent of their data collection. An additional 12 have collected between 81 and 90 percent of the data. Twenty-one counties report that they have input more than 90 percent of their real estate assessment data into their computer systems. Twenty counties state they have not input any data into their computer system. Some counties that are migrating to a new software system are waiting until data has been converted from the old system to the new system before they enter new data.

Sixty-four counties report that the PTABOAs have reviewed and approved the township assessors' land values. Sixty-eight state that they have held public hearings. More than half report that the new land values have been incorporated into their reassessment software system.

Most counties are beginning the process of equalization. The equalization rule is final and appears in the September Indiana Register and on the DLGF's website. The DLGF is scheduling equalization classes in November for assessing officials. Seventy-eight counties report that they have hired a vendor to perform equalization. Thirty-four, however, report that they do not know when equalization will be completed.

A summary of the results is attached to this report.

Computer Software

As a result of concerns expressed by several counties relating to software issues, DLGF staff met with the two major computer vendors.

One of the vendors, Plexis, has contracts with 14 or 15 counties, but has not yet certified its software with the DLGF. The vendor scheduled a firm date of October 1 to meet with DLGF staff to go through the certification process. The vendor has encouraged counties to input data into their old systems and assured both these counties and the DLGF that it will convert the data as soon as it is certified. The vendor believes this will occur very quickly once it demonstrates its process and software to the DLGF .

The DLGF also met with the vendor (Manatron) that supplies computer software to the majority of counties, including Lake County. Manatron has installed computer software for all but one of the 72 counties where it is working. Of these counties, 38

report that the software is fully operational. Manatron reported that it is working on developing patches for various issues that counties have reported concerning pricing and data entry. Manatron is also working on providing a module for Form 11 production. The vendor anticipates that these updates will be provided by mid-October.

The status of other software differs. Appraisal Research is scheduled for a meeting on October 10 with the DLGF staff to resolve outstanding software certification issues. The DLGF has contacted Innovative Data Systems, the vendor for two counties, requesting the status of their certification plans. Nine counties, all users of Proval, a Manatron system, have certified their software at the local level. Elkhart county maintains an in-house assessment software system and has certified its software.

Budgets, Rates and Levies

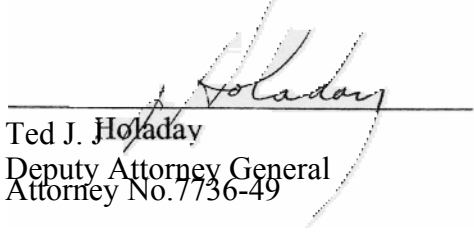
The DLGF's 2003 budget hearings in each county will take place between September 30 and October 18. The Department has not received final assessed valuations for any county and does not anticipate receiving any at the hearings. County auditors provided an estimate of assessed values as of August 1, 2002, because reassessment is not complete. The Budget Division anticipates certifying estimated appropriations on or before February 15. Final budgets, rates and levies will not be certified until the DLGF receives a county's final assessed values based upon the 2002 reassessment.

The delay in sending Form 11s may pose potential cash flow issues for local governments and for the DLGF's budget staff. This is not an issue, however, that is new to this reassessment. In past reassessment years, units of government have opted for

short-term borrowing to offset delay in tax distributions. Also, in those years, the units have worked with the Indiana Bond Bank. Short term borrowing through tax anticipation warrants is common even in non-reassessment years.

Respectfully submitted,

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